



05-1144, -1145

United States Court of Appeals
for the
Federal Circuit

HARRAH'S ENTERTAINMENT, INC.,
and HARRAH'S OPERATING COMPANY, INC.,

Plaintiffs-Appellants,

v.

STATION CASINOS, INC., BOULDER STATION, INC.,
PALACE STATION HOTEL & CASINO, INC., SANTA FE STATION, INC.,
SUNSET STATION, INC., TEXAS STATION, LLC,
and GREEN VALLEY RANCH GAMING, LLC,

Defendants-Cross Appellants.

Appeals from the United States District Court for the District of Nevada in case
no. 01-CV-0825, Judge David A. Ezra.

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CERTIFICATE OF INTEREST

Counsel for Defendants-Cross Appellants Station Casinos, Inc.,
Boulder Station, Inc., Palace Station Hotel & Casino, Inc., Santa Fe Station, Inc.,
Sunset Station, Inc., Texas Station, LLC, Green Valley Ranch Gaming, LLC
(collectively "Station") certifies the following:

1. The full name of every party represented by the undersigned counsel is:

Station Casinos, Inc.;
Boulder Station, Inc.;
Palace Station Hotel & Casino, Inc.;
Santa Fe Station, Inc.;
Sunset Station, Inc.;
Texas Station, LLC; and
Green Valley Ranch Gaming, LLC.
2. The parties listed above are the real parties in interest.
3. All parent corporations and any publicly held companies that own 10 percent or more of the stock of the party, parties or amicus curiae represented by Counsel are Station Casinos, Inc., which is the parent company of Boulder Station, Inc., Palace Station Hotel & Casino, Inc., Santa Fe Station, Inc., Sunset Station, Inc., and Texas Station, LLC. Station Casinos, Inc. also owns a 50% interest in Green Valley Ranch Gaming, LLC. Station Casinos, Inc. is a publicly held company. GCR Gaming, LLC, a non-publicly held company, owns the remaining 50% interest in Green Valley Ranch Gaming, LLC.

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TABLE OF ABBREVIATIONS

For the Court's convenience and consistency among the briefs,

Station adopts Harrah's Table of Abbreviations, as follows:

Abbreviation	Explanation
The '647 patent	U.S. Patent No. 5,761,647 (A77-105.)
The '362 patent	U.S. Patent No. 6,183,362 (A106-132.)
The '013 patent	U.S. Patent No. 6,003,013 (A133-168.)
The Patents in Suit (or the Patents)	The '647, '362 and '013 Patents
The Claims at Issue	All claims of the '647 and '362 Patents, and all claims of the '013 patent except claims 1, 2, 21, 22, 31, 39-42, 46, 48 and 49 - <i>i.e.</i> , all claims that include the term, "theoretical win profile"
Harrah's	Plaintiffs/Counterclaim Defendants-Appellants
Station	Defendants/Counterclaimants-Appellee
Order	June 3, 2004 Amended Order Granting Defendant's Motion For Partial Summary Judgment Of Invalidity Under 35 U.S.C. 112. 321 F. Supp. 2d 1173 (D. Nev. 2004) (A27-52).
'647 Patent Col:L1-L2	Col refers to the column number of the '647 Patent, L1-L2 refers to the cited lines

In addition, Station's citations to the appendix and Harrah's blue brief are A _ and BB _, respectively. For example, A123 is a citation to page "JAX123" of the Joint Appendix, and BB23-24 is a citation to pages 23-24 of Harrah's principal (blue) brief.

STATEMENT OF RELATED CASES

There are no related cases.

COUNTER-STATEMENT OF THE ISSUES

Station agrees with Harrah's issue statement 1, but disagrees with issue statements 2 and 3, which are argumentative and should be ignored. Station identifies the following additional issue:

1. Should the Court affirm on the alternate ground that the Patents-In-Suit fail to disclose the best mode for a "theoretical win profile"?

COUNTER-STATEMENT OF THE CASE

Station agrees with Harrah's statement of the case, except that in footnote 1, Harrah's (1) incompletely quotes the District Court's finding that references to "average" were an inadequate disclosure of the best mode, and (2) suggests without support that "Favorable disposition of this appeal would render this finding a nullity." BB4-BB5 (*compare* A51). To the extent Harrah's unsupported suggestion is understood, Station disagrees. Even if the Court finds that vague references to "average" satisfy the written description requirement, the best mode requirement demands more: it required Harrah's alleged inventor John Boushy to disclose his specifically preferred implementation. *Infra* sections III, V, X.

COUNTER-STATEMENT OF FACTS

I. Introduction

The District Court's determinations of indefiniteness and inadequate written description (A27-A52) are factually and legally correct, and should be

affirmed. Competitors cannot understand the bounds of Harrah's claims even after best efforts to construe them (A37-A45, A8803), and the patent specifications fail to prove the inventors possessed the alleged invention by fully describing it. (A45-A46; A8798.)

Harrah's argues that the District Court confused indefiniteness with inadequate written description, BB50, but Harrah's is wrong. The court clearly understood the respective legal principles. Its opinion reflects certain overlap in the undisputed facts and appropriately does not recount them twice. Even at this late stage, Harrah's fails to identify any record evidence that demonstrates there were genuine issues of material fact preventing summary judgment. The complete lack of definition or description in the patent regarding theoretical win profile supports both grounds for summary judgment. Regardless of Harrah's view of Judge Ezra's written opinion, his judgment was correct.

Station supplements the Background section of the District Court's Order (A27-A33) as follows:

The Patents-in-Suit relate to frequent-flyer type casino player rewards, *i.e.*, a frequent-gambler system and method. (A1194.) The Claims at Issue all require a so-called "theoretical win profile," a term nowhere defined or described in the patent specifications. The term itself appears to have been little more than an afterthought, barely mentioned in the specification and original claims. (A3442 n.23.) During discovery, Boushy admitted the specification did not adequately

describe "theoretical win profile." (A1127:3-6.) To the extent it was mentioned, it was inadequately described and repeatedly confused with theoretical win, a mathematical relationship admittedly in the prior art.

Illustrating the inadequacy of the disclosure, the PTO examiner thought theoretical win profile was something displayed to a dealer to determine its bets rather than something used by casinos to reward frequent gamblers. (A2518 n.1.) Indeed, Harrah's patent attorney admitted the examiner was "totally off base." (A1152-53.) Yet in a response to a rejection by the examiner, Harrah's incorporated the term into the independent claims and extensively relied upon it in arguing for allowance. Harrah's compounded the confusion by including a so-called simplified example of "theoretical win" profile that did not summarize multiple properties, but rather presented *theoretical win* for a single property. Harrah's then provided only a generalized three-part functional test for "theoretical win profile," which the examiner adopted almost verbatim as the sole basis for allowance. (A2584.) There being no definition or description of substance in the specification, the examiner simply accepted Harrah's generalized three-part functional test as the linchpin for overcoming an obviousness rejection and allowing the claims.¹

Although the examiner could not have known this at the time, Harrah's actually possessed but concealed its own *preferred* implementation of

¹ It would be an overstatement to call "theoretical win profile" the point of novelty because that feature was not novel.

“theoretical win profile,” including a way to apply a series of functions and/or factors, such as weighted averages, straight line averages, and/or averages divided by some period of time. Harrah’s also possessed examples of theoretical win profiles in the form of tables, which fall squarely within the ordinary meaning of the term, “profile.” In contrast, Harrah’s specification disclosed no such functions, algorithms, or tables.

The inconsistent and otherwise inadequate written description is particularly problematic because “theoretical win profile” was such a key limitation. Harrah’s has taken advantage of the indefiniteness of theoretical win profile in litigation by changing its position depending on context. In claim construction and in alleging infringement, Harrah’s argued that “theoretical win profile” is expansively defined as a “summary or analysis,” with no limits as to its *form*. (A7728; A3656-A3657; A3429; A3445 n.27; A3453.) But when confronted with close prior art, Harrah’s became very particular, requiring theoretical win profile to be expressed as a “single value.” BB42; (A3431; A3453.)

The District Court referred *Markman* proceedings to a magistrate judge. The parties’ respective constructions each reflected the three-part test Harrah’s had proffered in the prosecution history, and the magistrate adopted Harrah’s proposed construction. (A31.) The District Court then considered summary judgment motions, taking the claim construction into account (A31-A32, A38), and determined that as a matter of law “theoretical win profile” was

indefinite and lacked an adequate written description. (A37-A46.) For the reasons summarized above and discussed in more detail below, the District Court's determinations were correct and its judgment should be affirmed.

II. The Intrinsic Evidence Proves That "Theoretical Win Profile" Is Inadequately And Inconsistently Defined And Described

A. The '647 Patent

The '647 patent claims require a theoretical win profile, but the specification does not describe what it is, and provides no method, formula, algorithm, or any other mechanism for generating it. The patent specification contains at most four vague allusions to theoretical win profile that provide no description and only serve to confuse by their inconsistency.

The first arguable allusion refers *not* to "theoretical win profile," but to "win profiles." (A95 8:55-61.) Accordingly, it is not even clear this refers to "theoretical win profile" at all.

55 Customer accounts in CPDB 220 include detailed information on the customer's preferences, interests, credit rating, win profiles, and accumulated activity points. Win profiles are determined according to gaming data accumulated at any of the casino properties affiliated with the parent 60 company through input devices such as slot machines 130 and dumb terminals 132 associated with gaming tables 134.

(*Id.* (emphasis added).) "Win profiles" are said here to be determined by accumulating data at *any* of the casino properties, not by *combining* data from *multiple* properties. This suggests that win profiles can relate to a single property,

which is just theoretical *win*. Indeed, a side-by-side comparison shows that this *same passage* specifically refers to theoretical *win* (not “theoretical *win profile*”) in the edited and later-filed ‘013 continuation-in-part patent:

Comparison Of Corresponding Passages In The ‘647 Patent And ‘013 Patent

‘647 patent:

Win
profiles are determined according to gaming data accumu-
lated at any of the casino properties affiliated with the parent
60 company through input devices such as slot machines 130
and dumb terminals 132 associated with gaming tables 134.
(A95 8:57-61.)

‘013 patent:

5 theoretical win
values and points are determined according to gaming data
accumulated at any of the casino properties affiliated with
the parent company through input devices such as slot
machines 130 and dumb terminals 132 associated with
10 gaming tables 134.

(A155 10:5-10.)

The use of the *same* passage by Harrah’s to refer alternately to “win profiles” and “theoretical *win*” illustrates the inconsistencies in the specifications. Again, there are no definitions or descriptions of any substance to provide clarification.

In a second location, the ‘647 patent specification states that “theoretical *win profile*” is accessible on-line:

This transaction
30
is carried out on-line in order to provide rapid access to a
summary of basic customer information such as the customer-
er’s address, credit status, gaming points, theoretical *win*
profile, and recent trip activity.

35

(A96 9:30-35.) But this passage says *nothing* about what “theoretical win profile” actually is, *or* whether it is based on a single or multiple properties, *or* whether it is interchangeable with “win profiles,” “theoretical win” or “theoretical win values.”

Here again, there is no definition or description of substance (such as formulas, algorithms, tables, or numbers) to provide clarification.

In a third location, the ‘647 patent specification states:

55 **Comps** is another customer recognition program that is supported by system 100 and method 400. Comps are awarded to a customer according to the customer's average daily theoretical win, which is an estimate of the casino's average daily winnings from the customer. The level of 60 comps available to a customer is based on the casino's theoretical win from different gambling activities and the customer's historic level of these gambling activities. For example, on average a casino will win a statistically determinable amount of money, i.e. the theoretical win, from a 65 customer who bets an average of \$5000 per trip on blackjack. If the customer's theoretical win profile is large enough, the casino may “comp” the customer

(A97 at 12:55-67 (emphasis added).) Harrah's proposed claim construction order suggests this example just refers to theoretical win. (A7728.) Indeed, there is no antecedent basis for the term “theoretical win profile” at the end of the paragraph, and it was well known in the prior art that “[i]f a customer's theoretical *win* [] is large enough, [a] casino may comp the customer.” BB6; (A1182 4:61-64.) Also, the paragraph indicates that the comps are based on theoretical *win* at a single casino. (A97 12:55-67 (referring to “a” or “the” casino).) Accordingly, it is

unclear in this paragraph whether Harrah's actually meant "theoretical win" when referring to "theoretical win profile," whether the two are synonymous, or whether theoretical win is to be used as a basis for determining "theoretical win profile."

The terms are interchanged and confused, and there is no definition or description of "theoretical win profile" as being distinct from "theoretical win."

In a fourth and final location, the '647 patent specification states:

System 100 helps eliminate some of the vagaries introduced by the discretionary nature of comping by providing the same customer data to employees at all casino properties visited by a customer. This ensures that comping decisions will at least be based on consistent estimates of the customer's average theoretical win profile. 10

(A98 13:8-13.) While this indicates that the system provides the same data at all properties, it again does not state or even suggest that theoretical win profile itself combines data from multiple properties.

Accordingly, the specification alludes to or mentions "theoretical win profile" in a few locations with vague and inconsistent terms, but does not define or describe it.

The '647 patent prosecution history further demonstrates that the specification provided the examiner *no* understanding of theoretical win profile. By Harrah's own acknowledgment, the examiner erroneously concluded that theoretical win profile was something that "would be displayed to a dealer to determine the dealer's bets." (A2518 n.1.)

As the prosecution history further shows, Harrah's took advantage of the examiner's confusion while further blurring any distinction between theoretical win and theoretical win profile. In the original application for the '647 patent, the vast majority of the claims did not include "theoretical win profile." (A2431-A2437.) It was barely mentioned even as an afterthought. (A3442 n.23.) But in response to a prior art rejection by the patent examiner (A2489-A2498), the applicant amended the claims so they all included the limitation (A2501-A2515), made it the linchpin of its argument, and provided the following so-called simplified example that confusingly equated "theoretical win profile" with "theoretical win":

For example, assume two different players, one playing slots and one playing blackjack, each betting \$100. Assuming a 1 point to 1 dollar ratio for both games, both players have the same accumulated points, namely 100 points. However, the statistical percentages that the casino wins from slots and blackjack are different, and may be 3% for slots and 8% for blackjack. In this very simplified example, the theoretical win profile for the slots player is \$3, and the theoretical win profile for the blackjack player is \$8.

(A2517.) Indeed, in its proposed claim construction order, Harrah's effectively admitted that this same simplified example in fact exemplifies "theoretical win," not "theoretical win profile":

"Theoretical win" is an estimate of the winnings of a casino from a customer's bets. For example, on average a casino will win a statistically determinable amount of money from a customer who bets an average of \$5,000 per trip on blackjack. The average amount of money that the casino wins from a customer's bets varies from one game to another. The casino may win an average of 3% for slots and 8% for blackjack. Thus, the casino's theoretical win from a \$100 bet on blackjack would be \$8.00.

(A7728.) By presenting a “theoretical win” scenario at a *single* property (not multiple properties) as an example of “theoretical win profile,” Harrah’s further obfuscated any distinction between “theoretical win profile” and “theoretical win.”

In subsequently purporting to describe general characteristics of theoretical win profile to the examiner by offering a purely functional three-part test, Harrah’s again failed to indicate even what form theoretical win profile might take. (A2517.) The inadequate written description explains the examiner’s confusion and, combined with the “simplified example,” explains his willingness to adopt verbatim the vague, purely functional test Harrah’s belatedly provided in the amendment. (A2584.) But the examiner was still confused, as demonstrated by his reference to “points *in* theoretical win profile” (A2584 (emphasis added)), when actually “theoretical win profile is distinct from points.” (A2517.)

B. The ‘013 Patent

The ‘013 patent is a continuation-in-part of the ‘647 patent, and focuses on activating physical instrumentalities within the casino (such as lock boxes) based on the “status” of a customer. The status in turn is based on information such as “theoretical win profile.” (A133-A168.) For example, the specification states:

The status of the customer may be based on
65 accumulated points that a customer earns from betting and
other activity at the various casino properties or from a
theoretical win profile of the customer. Each casino may also
maintain a local database of customer accounts, including
the status data based on points earned at the casino or a
locally generated theoretical win profile.

(A151-A152 2:64-3:3.) This passage again provides no insight whatsoever into “theoretical win profile” itself, and further confuses the reader by referring alternatively to a “locally” generated theoretical win profile.

The ‘013 continuation-in-part patent further serves to confuse by introducing a new term, “theoretical win value,” and by referring to this alternately as being based on multiple casino properties *or* a single property.

In one embodiment, the customer's status is a function of the customer's theoretical win value to the casino. In another embodiment, status is a function of total accumulated points in the customer's account. In yet another embodiment, status is a function of both theoretical win and accumulated points. In one embodiment, theoretical win values and points are determined according to gaming data accumulated at any of the casino properties affiliated with the parent company through input devices such as slot machines 130 and dumb terminals 132 associated with gaming tables 134. In another embodiment, theoretical win and points are based on gaming data accumulated at a single casino property.

(A155 9:67-10:12 (emphasis added).) Harrah's relied on this as one of the “various expressions of ‘theoretical win profile.’” (A3439.)

Thus, even as of the later filing date of the continuation-in-part, Harrah's still provided only conflated and confusing jargon, with no definition or description of “theoretical win profile.” Consequently, the term remained insolubly ambiguous and completely indecipherable from the specification.

C. The '362 Patent

The '362 patent is a continuation of the '647 patent and provides a similarly inadequate written description.

III. The Extrinsic Evidence Confirms That "Theoretical Win Profile" Is Inadequately And Inconsistently Defined And Described

The extrinsic evidence fully confirms that theoretical win profile is inadequately defined or described. The extrinsic evidence includes the expert testimony, report and declaration of Bart A. Lewin, an independent consultant qualified in information systems, and the testimony and expert report of James Kilby, who is a qualified consultant on casino gaming technology, management and trends. It also includes testimony by Harrah's own alleged inventor and its patent attorney, who testified that the examiner was "totally off base" because the specification "had not clearly communicated to the examiner the whole concept of theoretical win profile." (A1127:3-6.)

Kilby explained that "theoretical win" implicates particular mathematical relationships to those skilled in the art, and provided an equation. (A1113:13-24.) In his declaration, Lewin confirmed there is a formula or algorithm for calculating theoretical win in the Slater patent. (A1157 ¶ 11 (citing A1182 4:61-64, 7:2-12; *see also* A1183 6:50-51 (equation)); A1116:6-22.) Although Harrah's now acknowledges that this formula in Slater refers to theoretical win, BB7-BB8, Harrah's denied it before the District Court in the face of an inequitable conduct allegation. (A3316-A3317.)

In contrast to Slater's clear disclosure of theoretical win, Lewin explained that "it is unclear what, if any, mathematical relationships or algorithms are involved with determining a 'theoretical win profile.'" (A1157 ¶ 11.) Harrah's specifications provide no algorithm or any other structure or acts corresponding to a "theoretical win profile." Thus, this extrinsic evidence confirms that the linchpin that convinced the examiner to allow the claims over the prior art, *i.e.*, "theoretical win profile," is neither defined nor adequately described in the specification.

Harrah's vague assertion that the Patents differ from the prior art in several additional features beyond "theoretical win profile" as a way to minimize the import of its inadequate claims and disclosure, BB10 n.3, is meritless. As indicated by the table below, Slater disclosed all those features in connection with theoretical win, and earlier in its brief Harrah's admits they were well known.

Claimed Feature	Slater	Harrah's Admission
a method of rewarding customer patronage	(A1181 1:62-65)	BB6
periodically updating	(A1184 7:2-12)	BB8
a theoretical win [profile]	(A1183 6:50-51)	BB7
providing complementaries or services	(A1182 4:61-64)	BB6

Accordingly, the only purportedly novel feature of Harrah's claims was the term "theoretical win profile," but as Lewin confirmed, "nowhere do these specifications provide a clear definition of 'theoretical win profile' or provide a formula or algorithm for calculating 'theoretical win profile.'" (A1156 ¶ 5.) He

also confirmed that the examiner's confusion during prosecution is consistent with a conclusion that the written description was inadequate. (A1156 ¶ 7.)

Lewin's expert opinion about the inadequate definition and description of theoretical win profile agreed with the deposition testimony of Harrah's own witnesses. Specifically, Harrah's patent attorney, Robert Sachs, admitted the examiner was "totally off base" with regard to theoretical win profile. (A1152:21-A1153:21.) Likewise, Boushy confirmed that he and Sachs had "concluded that [the specification] had not clearly communicated to the examiner the whole concept of theoretical win profile." (A1127:3-6; A1156 ¶ 8.)

Confusion might have been averted if Harrah's had better defined or described "theoretical win profile" in the specifications with consistent terminology and indicated what it is or even what it could be (e.g., a method, algorithm, formula, table, number, etc.), similar to the way the Slater patent defined "theoretical win." Apparently, such a definition was possible. Boushy in fact testified that he had developed a "specific implementation" for theoretical win profile that "was going to be a function of the theoretical win that came from each of the properties along with other information associated with that, and we would apply a series of functions and/or factors to that." (A1121:24-A1123:7.) This specific implementation further included "numerous algorithms." (A1125:15-16.)

But Boushy withheld his specific implementation from the examiner. As Lewin noted: "[N]owhere do these patents provide a clear definition of

theoretical win profile or provide a formula or algorithm for calculating it.”

(A1157 ¶ 12.) By withholding his specific, preferred implementation, Boushy kept the best for himself and prevented competitors from knowing what he “possessed.”

IV. Harrah’s Position Changed Depending On Context

When faced with invalidating prior art, Harrah’s witnesses became very particular about what theoretical win profile required. For example, Harrah’s ‘013 patent co-inventor Bruce Rowe testified he needed the underlying math to determine whether a table of theoretical win from multiple properties could be considered a “theoretical win profile.” (A1131:4-A1132:3; A7773-A7874.)

Likewise, Harrah’s expert witness Neil Spencer claimed he could not determine without calculation details whether a tabular display system could be considered a “theoretical win profile.” (A1146:25-A1147:23.) He further argued that theoretical win profile *had* to be an “aggregate” or “total” of data across multiple properties. (A1139:10-A1140:21.) An aggregate or total, according to Spencer, thus became critical to the meaning of “theoretical win profile.”²

When not faced with prior art, Spencer adopted Harrah’s broad, purely functional definition of theoretical win profile as a “summary or analysis” of data. (A1149; A1135:25-A1136:11.) In fact, he stretched it still further by volunteering that it could even be a “color.” (A1137:4-23.)

² This contrasts with Harrah’s allegation that the specification discloses theoretical win profile can be an “average.”

The insoluble ambiguities in “theoretical win profile” emboldened Harrah’s to expand and contract that term’s scope depending on context. But the ambiguities also deny competitors notice of the boundaries of the claims, rendering them indefinite.

V. Vague References To “Average” In The Specification Do Not Define Or Describe Theoretical Win Profile

A. The References To “Average” Only Further Confuse Theoretical Win Profile

Harrah’s now heavily relies on the word “average” in the specification as alleged written description support for theoretical win profile. But the few references to “average” only further obfuscate any meaning of “theoretical win profile.” Neither the specification nor Harrah’s brief provides any indication of *what kind* of averaging is employed, *i.e.*, whether it is weighted averaging, straight line averaging, or any other type of averaging. As Station’s expert explained:

Although the arithmetic mean is what most people have in mind when they talk of the “average,” the term itself is vague because there are various common interpretations of averages, including median, mode, moving average, geometric mean, weighted and unweighted averages. The term “average,” is particularly vague when used in a context where other types of averages are also possible.

(A7805 ¶ 11.) An independent mathematical dictionary definition confirms his understanding. (A7837-38.)³

³ Although the court excluded this definition among Exhibits A-D of the Lewin declaration as unauthenticated and untimely disclosed (A8766-A8767), the exhibits should have been admitted. Lewin had an obligation to supplement with these

Nor does Harrah's even attempt to distinguish where in the specification such "averaging" relates to theoretical win profile as opposed to theoretical win. Instead, as it did before the District Court, Harrah's keeps morphing the same "average" references back and forth between theoretical win and theoretical win profile, further demonstrating the inconsistent use of those terms. For example, in its Opposition, Harrah's argued that "[e]xpressing theoretical *win* as an average amount over a time period was [] well known (e.g., the *average daily* theoretical win over the last 3 months)." (A3423) (emphasis added). Then, in the very next paragraph, Harrah's argued that the concept of theoretical win *profile* was explained by that very same passage: "This is all described in the specifications of the patents-in-suit, including, particularly, the idea that theoretical win profile can be expressed as an '*average daily*' value." (A3423) (emphasis added). Harrah's further morphed the terms when used in the blackjack example in the specification. (A7775.)

Harrah's continued along these lines with the term, "average daily wager figure," which has no defined meaning and would not be understood by one

exhibits in response to Harrah's shifting construction of "profile." See Fed. R. Civ. P. 26(e)(1); Fed. R. Civ. P. 37(c)(1); 7 *Moore's Federal Practice-Civil* 37.62 (3d ed. 1999). (A8442.) And contrary to Harrah's representations upon which the court relied (A8766-A8767), the exhibits were and remain publicly accessible. Those that do not remain on active sites remain available on archive sites, just as out-of-print dictionaries might be archived in a library. See http://web.archive.org/web/20030130163610/http://www.system4hire.com/definition_list.html (Exhibit A); <http://web.archive.org/web/20030630174439/http://www.gamblenet.com/winnersdict.html> (Exhibit C).

skilled in the art. (A7805-A7806 ¶ 12.) There is nothing to suggest the term is synonymous with theoretical win profile. Its terms suggest an “average bet” on a daily basis, but even that would be vague, as there is an “actual” average bet and an “apparent” average bet. (A7805-A7806 ¶ 12; A7826.) Nevertheless, Harrah’s contended, without any objective support, that one skilled in the art would understand it as “theoretical win profile.” (A3428.) Relying on that conclusory assumption, Harrah’s argued throughout its Opposition that the phrase, “average daily wager figure will include a larger number of data points,” means “theoretical win profile” necessarily includes a “large[] number of data points.” (A3424; A3428; A3429; A3460.) Stretching even further, Harrah’s now argues that the phrase limits the large number of data points to just an “input” of theoretical win profile, rather than an “output.” BB14; BB43; BB51.

The court did not credit Harrah’s tenuous argument. The ordinary meaning of “profile” would suggest that those large number of data points could be presented as output, *i.e.*, a summary or analysis as in the form of a graph or table. The court understood that Harrah’s “single value” argument and its argument that the phrase refers only to the “input” rather than the “output” of theoretical win profile, were contrary to this ordinary meaning. (A29; A39; A40.)

On appeal, Harrah’s makes the strained argument that “two examples of a theoretical win profile are specifically mentioned: average theoretical win per day and average theoretical win per trip.” BB13. The first example states that “a

casino will win... an average of \$5000 per trip." But this does not mean theoretical win profile is an average across multiple casinos. Rather, it simply means theoretical *win* – for a single casino – is averaged by trip. The second example cited by Harrah's refers to an "average theoretical win profile." (A98 13:8-13.) This also does not imply theoretical win profile is an average across multiple properties. Rather, it may be a profile of "average theoretical win," e.g., a table of single property theoretical wins, each averaged over time. This would be more consistent with the immediately preceding paragraph. (A97-98 12:56-13:5.) Accordingly, neither example cited by Harrah's suggests that theoretical win profile is an average of theoretical win across multiple properties.

B. The Averaging Is Not Straightforward And Very Different Results Are Obtained Depending On How It Is Done

As Lewin demonstrated in his declaration using a simple example, averaging theoretical win is not straightforward or commutative, and very different results are obtained depending on how even the most basic form of averaging – the arithmetic mean – is applied. (A7776-A7777; A7806-A7807 ¶¶ 13-15.) Thus, presumably one skilled in the art would be required to use some more complicated non-commutative form of averaging. (*Id.*) But there is nothing in the patent specification to suggest, and one skilled in the art would not know, what type of averaging should be used. (A7806-A7807 ¶¶ 13-15.)

VI. Theoretical Win Profile Is Not Limited To A “Single Value”

A. A “Single Value” Limitation Is Unsupported By The Intrinsic Evidence, And Would Be Unfaithful To The Claim Construction And Ordinary Meaning Of “Profile”

Harrah’s argument that theoretical win profile must be a single value, BB42, raised in its Opposition (A3431, A3453), is unsupported by the intrinsic evidence (which provides no description or definition of theoretical win profile, *supra* section II), and contradicts its own claim construction, which was closer to the ordinary meaning of the word “profile.”

According to the American Heritage Dictionary, a profile is defined as a “formal summary or analysis of data, often in the form of a graph or table, representing distinctive features or characteristics.” (A7777 (2000 edition); A8332-A8335 (1992 edition).) Thus, a “theoretical win profile” is a “formal summary or analysis of [theoretical win] data, [as] in the form of a graph or table.” (*Id.*) The *technical* definition of “profiling” in computational glossaries is consistent with this non-technical definition. (A7804 ¶ 5; A7810-11.)⁴

These definitions are consistent with Harrah’s construction that theoretical win profile is “a summary or analysis of estimates of a casino’s winnings.” (A7728.) In the *Markman* hearing, Harrah’s specifically defined “theoretical win profile” as a “summary or analysis” of estimates, contrasting it to

⁴ This technical definition was excluded but should be considered on appeal. *Supra* footnote 3.

“theoretical win,” which it characterized as a single “estimate.” (A3656-A3657.) Harrah’s expert confirmed this definition in his expert report and deposition. (A1149; A1135:25-A1136:11.) The District Court adopted Harrah’s claim construction in its entirety. (A8509-A8511.)

Accordingly, Harrah’s argument that “theoretical win profile” *must* be a single value is inconsistent with the ordinary meaning of the word “profile” and with Harrah’s own claim construction. A summary or analysis of data, as in the form of a graph or table, need not be a single value.

B. Harrah’s “Single Value” Arguments Are Litigation Induced

Harrah’s “single value” arguments are apparently an attempt to avoid the consequences of Boushy’s withholding the details of his own invalidating “Gold Card” prior art system from the Patent Office. It was only when the enabling details of the Gold Card system came to light in discovery following the *Markman* hearing, BB3, that Harrah’s began arguing that theoretical win profile must be a single value. (A3431; A3453.) But this contradicts the ordinary meaning of “profile” *and* Harrah’s own claim construction, which contemplates a summary or analysis like a graph or table, as opposed to a single value.

During prosecution of the ‘647 patent, the examiner rejected all pending claims, including those that included the theoretical win profile

limitation,⁵ “as being unpatentable over Harrah’s Gold Card … in view of well known practices.” (A2490.) The examiner relied on a press release that only generally described Harrah’s Gold Card program for tracking play across multiple properties. (A2499-A2500.) (In view of that generality, it is a stretch for Harrah’s to imply, BB6, that the press release provided sufficient disclosure for the examiner to fully consider the Gold Card system.) Confronted with the possibility of not obtaining a patent, Boushy did not come forward with details about the Gold Card system, even though he represented it was developed under his direction. (A2519.) Instead, he filed a response arguing that “the reference, being merely a press release that mentions that Harrah’s has some type of Gold Card system, does not provide anything near an enabling disclosure that can be used to suggest the claimed subject matter.” (A2519.) Thus, instead of coming forward with those enabling details, Boushy withheld them all, inexplicably declining to discharge his duty under 37 C.F.R. 1.56 to disclose information which he specifically knew to be the primary subject of the examiner’s patentability determination.

Discovery subsequently revealed why he was unwilling to disclose those enabling details: Harrah’s Gold Card program used the Northern Nevada Marketing System (NNMS), which presented a *formal summary or analysis* of theoretical win from multiple properties in the form of a *table*. For example, the

⁵ Original claims 6 and 7 included the theoretical win profile limitation.

following screen shot from Harrah's NNMS shows a table including theoretical win values from Reno ("REN") and Lake Tahoe ("TAH") for various time periods:

NORTHERN NEVADA - REGIONAL MARKETING SYSTEM				
A P P L I C A T I O N S				
• DNGHQ	GMOPGM4072L	DIRECT MARKETING INQUIRY	10/01/92	8:56:39
• HAAS, JOYCE		MARKETING ID....:	82125	
• 1635 JOYCE WAY		Home Phone.....:	702-826-6820	
• RENO	NY 89309-5271	Bus. Phone.....:	702-785-7903	
		Date Established:	9/30/88	
•		PLAYER RATINGS	Property Code: ALL	
		6 Month	12 Month	24 Month
• REN - ALL GAMES				To Date
• Number of Rated Trips..	13	27	55	120
• Theoretical Win.....	58,120	146,700	413,340	809,860
• Avg Theo Per Trip	4,471	5,433	7,513	6,749
• Actual Win/Loss.....	103,320	248,040	641,240	1,234,740
• Avg Win/Loss Per Trip..	8,332	9,187	11,655	10,290
• Largest Theoretical....	10,630	17,770	25,320	25,320
• Largest Win.....	20,400	26,530	41,750	41,350
• Largest Loss.....		30-	11,150-	98,500-
• TAH - ALL GAMES				
• Number of Rated Trips..	2	2	2	2
• Theoretical Win.....	1,870	1,870	1,870	1,870 +
		F03-Exit F10-Rin to Selection Menu F12-Previous		

(A1658; A1377:2-16.) This is a *profile*, i.e., a summary or analysis as in the form of a table, of theoretical win from multiple properties. If Harrah's now takes the position that this is not a "theoretical win profile," then its position is contrary to the ordinary meaning of the term, "profile."

While withholding such tables from the examiner, Boushy simultaneously presented his "simplified example" which *did not* illustrate how to determine theoretical win profile, but instead only demonstrated how to calculate theoretical *win* – a single value for a *single* property. (A2517.) Thus, to the extent the prosecution history shows a single calculated number, it represents a *single property*. Such single property values may be entered along with other single

property values into a *table* to provide a summary or analysis of theoretical win.

This would be consistent with the ordinary meaning of theoretical win “*profile*.”

Station’s experts agreed that “theoretical win profile” (to the extent it is understood) may *encompass* the possibility that in a given case it is a “single calculated number.” (A7779-A7780.) But they also allowed for the broader conclusion that a theoretical win profile can also be a table of numbers, each of which represent single properties. This is again illustrated by referring to Harrah’s “simplified example,” which provided only a single value for a single property, but which could be entered along with similar numbers into *tables* (for example) to provide a theoretical win “profile.”

SUMMARY OF THE ARGUMENT

The District Court properly granted summary judgment of patent invalidity due to indefiniteness because the term “theoretical win profile” fails as a matter of law to provide competitors fair notice of the bounds of Boushy’s alleged invention. There is clear and convincing evidence, both intrinsic and extrinsic, that the term “theoretical win profile” provides no notice about how it differs from theoretical win, how it is generated (e.g., methods, formulas or algorithms), or whether it is a graph, table, single value, or some other summary or analysis. Due to the ambiguity and inconsistencies in the specification on these points, the only basis for construing the term is a three-part functional test provided for the first time in the prosecution history, which as a matter of law cannot resolve the indefiniteness.

Likewise, the District Court properly granted summary judgment of patent invalidity due to Harrah's failure to provide an adequate written description. The court reviewed the record and correctly determined that the patents failed to apprise the public of what Harrah's "possessed" when it claimed an alleged invention having as its primary feature "theoretical win profile." The District Court understood that the ambiguities, inconsistencies, and lack of any substance in the specifications, which provided no basis to resolve the term's indefiniteness, also failed to provide an adequate written description of theoretical win profile.

Finally, Boushy's failure to disclose his best mode provides an alternate ground for affirmance.⁶ There was no genuine dispute about the fact that Boushy possessed a preferred implementation of theoretical win profile, but concealed it. His concealment was particularly egregious because "theoretical win profile" was the linchpin to overcoming the examiner's obviousness rejection. The court did not rely on best mode as grounds for its judgment only because Harrah's convinced it to apply an incorrect legal standard. When the correct legal standard is applied, best mode is an additional grounds for affirmance.

⁶ Because best mode is an additional grounds for affirmance, Station has moved to dismiss its cross-appeal. "When a matter comes before an appellate court following a summary judgment, the appellate court is free to adopt a ground advanced by the appellee in seeking summary judgment but not adopted by the trial court." *Glaxo Group, Ltd. v. Torpharm, Inc.*, 153 F.3d 1366, 1371-72 (Fed. Cir. 1998). "Such an approach does not convert an argument advanced by one of the parties into an impermissible interlocutory appeal of the denial of a summary judgment." *Id.* at 1372.

It would be manifestly unjust to allow Harrah's to assert its patents against competitors such as Station. Without a full disclosure of the alleged invention and claims that clearly point out the covered subject matter, competitors have no basis upon which to measure their freedom to operate in the marketplace. Moreover, it is not fair for Harrah's to assert its claims after withholding its preferred implementation from disclosure.

ARGUMENT

VII. Standards of Review

Pursuant to Fed. Cir. R. 28(b), Station limits its Statement of the Standards of Review to the following:

In its "Standards Of Review" statement, Harrah's relies on *Omega Engineering v. Raytek Corp.*, 334 F.3d 1314, 1320 (Fed. Cir. 2003), to argue that the Court "resolves all doubts in favor of the non-movant" in reviewing a summary judgment. BB23. In fact, *Omega Engineering* states that "[a]ny doubt as to the existence of any issue of material fact requires denial of the motion." *Id.* (emphasis added). This standard does not apply to purely legal issues such as indefiniteness.

Harrah's also notes that claim construction is "reviewed without deference." BB23-BB24. But "[i]n reviewing a district court's claim construction, this court takes into account the views of the trial judge, as well as the record of the trial, which helped that judge to understand the terms of the claim. Though [the

Court] review[s] those views and that record *de novo*, common sense dictates that the trial judge's view will carry weight." *Nazomi Communications, Inc. v. ARM Holdings, PLC*, 403 F.3d 1364, 1371 (Fed. Cir. 2005) (internal quotation marks and citation omitted).

Because the "determination of claim indefiniteness is a legal conclusion that is drawn from the court's performance of its duty as the construer of patent claims," *Personalized Media Communications, L.L.C. v. ITC*, 161 F.3d 696, 705 (Fed. Cir. 1998), the District Court's view on indefiniteness should also carry substantial weight.

The last two lines of Harrah's statement of the standard of review present argument on the merits, BB24, and therefore should be ignored.

VIII. The District Court Correctly Ruled That The Claims Including "Theoretical Win Profile" Are Indefinite

The District Court correctly concluded that, as a matter of law, Harrah's claims that include "theoretical win profile" fail to meet the definiteness requirement. The intrinsic evidence demonstrates that an ordinary artisan could not determine the scope and meaning of "theoretical win profile." The extrinsic evidence confirms this conclusion.

A. 35 U.S.C. 112, ¶ 2 Requires Definite Claims

The definiteness requirement serves the notice function of patent claiming, and imposes a duty on patentees to "clearly circumscribe what is foreclosed from future enterprise." *United Carbon Co. v. Binney & Smith Co.*, 317

U.S. 228, 236 (1942). *See also id.* at 233 (“To sustain claims so indefinite as not to give the notice required by the statute would be in direct contravention of the public interest which Congress therein recognized and sought to protect.”). The test for definiteness is whether an ordinary artisan, reading the patent, would understand the bounds of the claim. *Amgen, Inc. v. Chugai Pharm.*, 927 F.2d 1200, 1217 (Fed. Cir. 1991).

B. Summary Judgment Is Particularly Appropriate On The Issue Of Indefiniteness

Summary judgment is particularly proper on the issue of indefiniteness, which is a question of law, *Union Pac. Res. Co. v. Chesapeake Energy Corp.*, 236 F.3d 684, 692 (Fed. Cir. 2001), and does not involve making factual evidentiary findings.

C. The Intrinsic Evidence Supports The District Court’s Summary Judgment Of Indefiniteness

1. Theoretical Win Profile Is Vague And Inconsistencies In The Specification Only Cause Further Confusion

The patent specifications provide no description of theoretical win profile. The few vague references or allusions to theoretical win and theoretical win profile are variously synonymous and otherwise inconsistent with each other, both in substance and in terminology. (A95 8:55-61; A97 12:55-66; A98 13:11-13; A155 9:67-10:12) (variously referring to “theoretical win,” “theoretical win profile,” “average theoretical win profile,” “average daily theoretical win,” “win profile” and “theoretical win value”). As the District Court correctly observed,

"instead of being descriptive, these terms, although not arising to the level of 'semantic indefiniteness,' serve to further hinder a competitor from determining whether their invention is infringing on the patent." (A42.) *Compare Allen Eng'g Corp. v. Bartell Indus.*, 299 F.3d 1336, 1349 (Fed. Cir. 2002) (patent invalid due to semantic indefiniteness).

2. Terms That Require Mathematical Determinations Must Be Mathematically Defined

Terms like "theoretical win profile" that purport to require mathematical determinations must be mathematically defined.⁷ In *Union Pacific*, the Court determined that a claim that required mathematically "comparing said... characterizing information" was indefinite. 236 F.3d at 689. The Court stated:

The precise meaning of the term "comparing" is not explained in the written description. The patent suggests, however, that "comparing" . . . involves . . . [a mathematical] "correlation" step suggested (but not explained) in the written description.

Yet "comparing" could undoubtedly have other meanings to a person of skill in the art. For example, because the patent does not indicate that it is a technical or scientific term, the term "comparing" could simply mean "to examine in order to note the similarities or differences of." The American Heritage College Dictionary 283 (3d ed. 1997). . . . Thus, the '951 patent does not define the means to "compare" the two sets of characterizing information. The district court correctly found that the "comparing" steps. . . are indefinite.

⁷ In contrast, terms of degree or approximation "need not be mathematically precise." See *Relative Terminology: Terms Of Degree*, 2 Pat. L. Fundamentals 15:27 (2d ed. 2003).

Id. at 692.

Likewise, Harrah's now argues, based on the vague and contradictory statements in the specification, that theoretical win profile is a "single value" calculated by some form of "averaging" or allegedly suggested (but indisputably not explained) in the written description. Yet theoretical win profile could "undoubtedly have other meanings to those skilled in the art." *Id.* For example, because the patent does not indicate that it is a technical or scientific term, a theoretical win "profile" could require a "formal summary or analysis of [theoretical win] data, [] in the form of a graph or table." American Heritage Dictionary of the English Language (A7777 (2000 edition); A8332-A8335 (1992 edition).) Of course, this meaning does nothing to account for multiple properties or how entries into that table or graph might be mathematically determined. Thus, just as the patent in *Union Pacific* failed to provide the mathematical means to "compare" the data, the asserted patents fail to define the mathematical means to determine or perform a theoretical win profile in the present case. Like the term "comparing" in *Union Pacific*, the term "theoretical win profile" here is indefinite.

3. The Prosecution History Does Not Rehabilitate The Indefiniteness Of Theoretical Win Profile

"A claim is indefinite if, when read in light of the *specification*, it does not reasonably apprise those skilled in the art of the scope of the invention." *Amgen, Inc. v. Hoechst Marion Roussel, Inc.*, 314 F.3d 1313, 1342 (Fed. Cir. 2003)

(emphasis added) (claims indefinite). While a patentee can be his own lexicographer, the definition must be clearly presented without adding new matter during prosecution.

Harrah's relies on *All Dental Prodx, LLC v. Advantage Dental Products, Inc.*, 309 F.3d 774 (Fed. Cir. 2002), to argue that the prosecution history can "clarify the claim meaning and hence provide definiteness." BB25, BB28, BB33. But the extent to which one may rely on prosecution history for such purposes is limited. Courts must be careful not to allow the prosecution history to add new matter. *Glaxo Wellcome, Inc. v. Impax Labs.*, 356 F.3d 1348, 1354 (Fed. Cir. 2004) ("The new matter doctrine prevents an applicant from adding new subject matter to the claims unless the specification shows that the inventor had support for the addition at the time of the original filing."). Similar to *All Dental*, the Court in *Howmedica Osteonics Corp. v. Tranquil Prospects* found certain claims definite, and even considered the prosecution history, but was careful to explain that such consideration was limited because "[t]he definiteness of a patent claim depends on whether one skilled in the art would understand the bounds of the claim when read in light of the *specification*... an assessment relevant to the time of filing." 401 F.3d 1367, 1371, 1372-73 (Fed. Cir. 2005) (emphasis added).

Accordingly, in *Group One Ltd. v. Hallmark Cards*, No. 04-1296, 2005 WL 1138998, at *3-*4 (Fed. Cir. May 16, 2005), the Court recently affirmed summary judgment of invalidity where an error of omission in the claims rendered

them indefinite, even though the prosecution history disclosed the missing language. Because the error was not evident from the "face of the patent," the District Court had no authority to correct it.

Station appreciated these points in its Motion when it cited a cogent explanation from a district court:

The prosecution history may be considered... although the arguments made by the applicants in attempting to clarify the indefinite term cannot serve as a substitute for definite claims supported by the *specification*. "If an otherwise indefinite claim may be rehabilitated through the expedient of larding on through declarations in the prosecution history, then the process essentially amends § 112, ¶ 2 out of the Patent Act."

(A1212 (quoting *STX, Inc. v. Brine, Inc.*, 37 F. Supp. 2d 740, 754 (D. Md. 1999) (granting summary judgment), *aff'd*, 211 F.3d 588 (Fed. Cir. 2000).) As Station further explained, "even Harrah's cases confirm [that] courts should make only limited use of materials outside the specification and claims (such as testimony and the prosecution history) in deciding indefiniteness." (A7787 (citing *Solomon v. Kimberly-Clark Corp.*, 216 F.3d 1372, 1378 (Fed. Cir. 2000).)

Here, Harrah's three-part, purely functional test in the prosecution history cannot remedy the indefiniteness of its claims in view of the confusing, inconsistent jargon and otherwise inadequate specification.

Indeed, rather than rehabilitating the indefiniteness of theoretical win profile, the prosecution history confirms its indefiniteness. Although the District

Court discounted “the fact that the patent examiner first misunderstood the term [because there was not] any showing that he had ordinary skill in the art” (A45), an examiner is *presumed* to have ordinary skill in the art. *In re Beach*, 152 F.2d 981, 983 (CCPA 1946) (non-enablement determination). Therefore, the examiner’s confusion provides further evidence that the specification did not sufficiently communicate the concept of theoretical win profile, as Harrah’s own alleged inventor and patent attorney admitted. *Supra* section III.

Although Station explained this to the District Court, Harrah’s suggested that the examiner’s “initial[]” confusion did not matter because it is also presumed “the Examiner did his duty and knew what claims he was allowing.” (A3454.) But the examiner was clearly *still* confused when allowing the claims, as illustrated by the fact that he referred to “points *in* theoretical win profile” (A2584 (emphasis added), when actually “theoretical win profile is distinct from points” (A2517), as Harrah’s represented in the same amendment. Contrary to Harrah’s presumption, the record indisputably demonstrates the examiner’s confusion remained.

D. The Extrinsic Evidence Confirms That Summary Judgment Of Indefiniteness Was Warranted

Extrinsic evidence is not required to support summary judgment on the legal issue of indefiniteness. But it may be helpful to confirm the intrinsic evidence because “[w]hether a claim is invalid for indefiniteness requires a

determination whether those skilled in the art would understand what is claimed.”

Morton Int'l, Inc. v. Cardinal Chem. Co., 5 F.3d 1464, 1470 (Fed. Cir. 1993).

Lewin confirmed that the term was indefinite without any method, formula, or algorithm for generating or performing a theoretical win profile (A1156, A1157 ¶¶ 12, 13.) Rowe and Spencer themselves admitted that the underlying math would be necessary to determine whether the *prior art* might disclose a “theoretical win profile.” (A1131:4-A1132:3; A1146:25-A1147:23.)

E. Harrah's Three-Part Test For “Theoretical Win Profile” Is Purely Functional And Indefinite

The District Court correctly determined that “theoretical win profile” is indefinite because it is purely functional as a matter of law and gives competitors no notice about whether they infringe. (A40-A41.) As construed, “theoretical win profile” is essentially the function of summarizing or analyzing theoretical win over time across multiple properties, *i.e.*, of profiling theoretical win “*as a function* of estimated winnings from the monitored betting activity of the customer at the plurality of casino properties over a time period.” (A31; A102:23-26 ('647 patent claim 1).) Harrah's has repeatedly argued that the form/structure of theoretical win profile is not a limitation and therefore it covers any means for accomplishing the same function. BB13-BB14; (A3429-A3430; A3445 n.27; A3453).

The Supreme Court has held that defining a limitation purely by function may render a claim indefinite. *United Carbon*, 317 U.S. at 234 (“So read,

the claims are but inaccurate suggestions of the functions of the product, and fall afoul of the rule that a patentee may not broaden his claims by describing the product in terms of function.”). The reason is that such limitations may create an impermissible “zone of uncertainty” where competitors cannot determine whether they are infringing. *Id.* at 236; *see also Morton*, 5 F.3d at 1470.

Thus, the Supreme Court held in *Halliburton Oil Well Cementing Co. v. Walker*, 329 U.S. 1 (1946), that defining a limitation as a means for performing a function, such that it covers *any and all* means for accomplishing the function, renders a claim indefinite. That is why Congress enacted 35 U.S.C. 112, ¶ 6 – to create a safe harbor with limitations to make such functional language more definite. “Section 112 thus permits means-plus-function language in a combination claim, but with a ‘string attached.’ The ‘attached string’ limits the applicant to the structure, material, or acts in the specification and their equivalents.”” *Valmont Indus. v. Reinke Mfg.*, 983 F.2d 1039, 1042 (Fed. Cir. 1993).

A patentee who avoids compliance with section 112, ¶ 6 ignores the “string attached” and makes it impossible for one skilled in the art to understand the breadth of the claim. *MDS Assocs., Ltd. P'ship v. United States*, 37 Fed. Cl. 611, 624 n.11 (1997), *aff'd*, 135 F.3d 778 (Fed. Cir. 1998)); *see also Cardiac Pacemakers, Inc. v. St. Jude Med., Inc.*, 296 F.3d 1106, 1113-14 (Fed. Cir. 2002). Here, Harrah's cannot seek refuge in the safe harbor of 35 U.S.C. 112, ¶ 6 because

“theoretical win profile” is not drafted in means-plus-function format, nor does Harrah’s so contend. Even if ¶ 6 did apply, “theoretical win profile” would still be indefinite because the specification fails to state what “structure, material, or acts” correspond to that limitation.

Harrah’s effectively argues that there is nothing indefinite about functional language, citing *In re Swinehart*, 439 F.2d 210, 212 (CCPA 1971). BB35-BB36. But as the Supreme Court noted, such language is indefinite if it creates a “zone of uncertainty” that prevents competitors from knowing the bounds of the claim. *United Carbon*, 317 U.S. at 234, 236. While Congress overruled *Halliburton* insofar as means-plus-function claims are concerned, it did not otherwise overrule the Supreme Court. Also, in *Swinehart* the functional language simply described a *characteristic* of a structural limitation expressly recited in the claim. Here, the limitation *itself* is purely functional.

Accordingly, the Federal Circuit has recently recognized that functional language may be indefinite if, as construed, competitors cannot determine whether they infringe:

By its terms, a “synergistically effective amount” is a functional limitation. As explained in *In re Swinehart*,... a functional limitation covers all embodiments performing the recited function.... This construction yields no patentable distinction.....

To avoid invalidity, GSK seeks to read more into these claim terms....

This reading of the claim is indefinite. A claim is indefinite if its legal scope is not clear enough that a person of ordinary skill in the art could determine whether a particular composition infringes or not.

Geneva Pharms., Inc. v. GlaxoSmithKline PLC, 349 F.3d 1373, 1384 (Fed. Cir. 2003).

The District Court specifically cited the concern from *Geneva* regarding whether “a person of ordinary skill in the art could determine whether a particular composition infringes or not.” (A37; A41-42.) The court noted, *inter alia*, the dispute about whether theoretical win profile must be a “single value” or whether it may include a “large number of data points,” e.g., a table as permitted by the claim construction and ordinary meaning. (A40.) Accordingly, it was appropriate for the court to consider the insoluble ambiguities caused by the purely functional nature of Harrah’s three-part test, in combination with the other evidence, in concluding that “theoretical win profile” is indefinite.

F. Harrah’s Treatment Of “Theoretical Win Profile” Like A Nose Of Wax Further Proves The Term’s Indefiniteness

As discussed *supra* section IV, Harrah’s molded its position regarding theoretical win profile like a “nose of wax” by taking an expansive view when alleging infringement and in *Markman* proceedings, and then a narrow view when faced with prior art. The Court has explained that such an approach to claim language is not to be sanctioned. *Exxon Chem. Patents, Inc. v. Lubrizol Corp.*, 64 F.3d 1553, 1563 (Fed. Cir. 1995) (Plager, J., concurring); *Semmler v. Am. Honda Motor Co.*, 990 F. Supp. 967 (S.D. Ohio 1997) (summary judgment of

indefiniteness, stating: "Although Semmler now takes a different position, this is contrary to his own interpretation of this claim limitation in the *Markman* hearing."); *Mathis v. Hydro Air Indus.*, 1 USPQ2d 1513, 1527 (C.D. Cal. 1986) ("By making the claims vague and indefinite, the inventor is able to broaden the claims to include devices which he considers to be infringing, or narrow the claims to avoid prior art.").

G. Harrah's Arguments Are Meritless And The Cases It Cites Are Inapposite

Harrah's raises a number of arguments, some of which were not raised to the District Court. *E.g., infra* section VIII.G.4. All of its arguments are meritless.

1. Harrah's "Average" Arguments Only Further Demonstrate Indefiniteness

As discussed *supra* section V.B, Harrah's cites the word "average" in the specification as an example of theoretical win profile. But that creates even more ambiguity because of the many different types of averaging. *Id.* Even the most basic one – arithmetic mean – provides vastly different results depending on how it is applied to theoretical win, as Lewin demonstrated in his declaration using a simple example. (A7806-A7807 ¶¶ 13-15.)

In *Honeywell International v. ITC*, the Court affirmed summary judgment of indefiniteness in a case involving cords for car tires. 341 F.3d 1332 (Fed. Cir. 2003). The claims included the term "melting point elevation" ("MPE"), which was a property of the cords. The written description expressly defined

MPE, but the definition did not resolve the ambiguity.⁸ *Id.* at 1339. The Court determined that MPE could be measured by any sample preparation method known to those skilled in the art and that different methods gave different results. *Id.* at 1341. The Court held such claims insolubly ambiguous and thus competitors would not be able to understand the bounds of the invention. *Id.* at 1340-42.

Similarly, Harrah's argues that theoretical win profile is expressly defined and can be calculated by any mathematical method. But Lewin showed that very different results are obtained depending on how even basic averaging is applied to theoretical win. *Supra* section V.B. Accordingly, as in *Honeywell*, the claims here are insolubly ambiguous, which prevents competitors like Station from understanding the bounds of the alleged invention, thereby rendering the claims indefinite.

2. Harrah's "Single Value" Arguments Also Prove The Indefiniteness Of Theoretical Win Profile

As discussed *supra* section VI, Harrah's arguments that theoretical win profile must be a single value are groundless and only present further contradictions in Harrah's position. Such contradictions are illustrated by comparing Harrah's argument before the District Court with its argument on appeal:

[T]he particular form chosen to express the value of a customer's theoretical win profile is not a limitation of the claimed invention.

(A3453 (argument before the District Court).)

⁸ The ALJ had rejected the patentee's expert declarations.

[T]he “single value” refers to the form of output from this determination, *i.e.* the theoretical win profile itself...

(BB43 (argument on appeal).)

At the summary judgment hearing, Harrah’s tried to slip by like a “ship[] passing in the night” with an argument that theoretical win profile could be a table, but that each number in the table must represent multi-property play.

(A8783:14-19; A8784:8-A8785:14.) That cannot be correct. If each number in the table alone represented multi-property play, then each itself would be a theoretical win profile. But then the table would not be a theoretical win profile; it would be a profile of profiles. Under the claim construction, to be a theoretical win “profile,” a table must present various single-property theoretical win values from different properties. Harrah’s tries to run away from this because discovery revealed that it withheld just such a table in the prior art from the examiner. *Supra* section VI.B.

3. The District Court Properly Considered The Closeness Of The Prior Art

Harrah’s argues that the indefiniteness analysis does not “hinge” on how close the prior art is. BB40. But the District Court properly considered the closeness of the art along with the totality of the evidence. As the Court has stated: “When the meaning of claims is in doubt, especially when, as is the case here, there is close prior art, they are properly declared invalid.” *Amgen*, 927 F.2d at 1218 (close prior art relevant in finding claims indefinite); *see also Standard Oil Co. v. Am. Cyanamid Co.*, 774 F.2d 448, 452 (Fed. Cir. 1985) (same); *Union Pac.*

Res. Co. v. Chesapeake Energy Corp., 53 USPQ2d 1669, 1673-74 (N.D. Tex. 1999), *aff'd*, 236 F.3d 684 (Fed. Cir. 2001) (same).

Harrah's attempts to distinguish *Amgen* as a case involving words of approximation. But that has no bearing on the closeness of the art. Moreover, the attempted distinction works against Harrah's because its claims involve mathematical determinations, which require more mathematical precision than words of approximation to be definite. *Supra* section VIII.C.2; *id.* n.7.

Harrah's also argues that the District Court was "wrong to assume that the alleged prior art was in any way 'close'" because the court simultaneously found "there remain issues of fact as to whether [NNMS] constituted material prior art." BB41-BB42. But the factual issue related *not* to whether the art was "close"; rather it related to whether "the system was adequately described in the Background" of the patents (A8748-49), and thus was "cumulative to information already of record." (A8737.) Although the factual issue regarding cumulativeness prevented a determination of materiality as a matter of law, the court correctly concluded that "there can be little dispute that the prior art in this case is very close." (A43.) The court properly considered this along with the totality of the other evidence.

4. The Component Terms Of Theoretical Win Profile Only Further Confirm Its Indefiniteness

Harrah's offers a new argument on appeal, citing *Bancorp Services, L.L.C. v. Hartford Life Insurance Co.*, 359 F.3d 1367 (Fed. Cir. 2004), for the

proposition that a phrase is not indefinite if its component words have well-recognized meanings. BB26-BB27. That is an overstatement, as illustrated by the “automobile” example, *infra* section IX.E.3 (written description context). A phrase comprised of words with well-recognized meanings can still be indefinite, just as a phrase like “super theoretical win” has no definite meaning that would apprise competitors of what it covers. In addition, *Bancorp* presupposes reliance on a term’s ordinary meaning. But Harrah’s eschews the ordinary meaning of “profile” in arguing that theoretical win profile must be a “single value.” *Supra* section VI.

Also, in *Bancorp*, construing a phrase based on its component parts resolved the indefiniteness. But the Court did not suggest this would work in every case, and undoubtedly did not intend to overrule cases like *Honeywell*, which found the phrase “melting point elevation” indefinite even though its component have well-recognized meanings. *Honeywell*, 341 F.3d at 1335. *See also* *Halliburton*, 329 U.S. at 6 (“tuned acoustical means” indefinite); *United Carbon*, 317 U.S. at 233-34 (*inter alia*, “spongy,” “porous,” “pellet” indefinite); *Cardiac Pacemakers*, 296 F.3d at 1108 (“third monitoring means” indefinite); *Union Pac.*, 236 F.3d at 692 (“comparing” indefinite); *Amgen*, 927 F.2d at 1217-18 (Fed. Cir. 1991) (“about”); *Standard Oil*, 774 F.2d at 452 (“partially soluble” indefinite). Similarly, while “profile” and “theoretical win” may be well-recognized terms, that does not resolve the indefiniteness of “theoretical win profile.”

Moreover, neither the terms “theoretical win” nor “profile” necessarily require multiple properties. This is evidenced by the Random House Dictionary definition of “profile,” BB27, which Harrah’s improperly submitted for the first time on appeal.⁹ The definition gives an *example* of “a profile of national consumer spending,” which implies that there are also other types of profiles of consumer spending. A profile therefore *may* be national in character (or multi-property as in the present case), but also may be purely local, e.g., a single property. For example, the “profile” could summarize theoretical win of individuals based on distinguishing characteristics such as income, spending habits, etc., at a single property. The Random House Dictionary thus illustrates that multiple properties are not required by the definition of “profile.”

Accordingly, analyzing the well-recognized component terms “theoretical win” and “profile” further supports the District Court’s determination that theoretical win profile is indefinite.

5. Station’s Claim Construction Is Not An Admission Of Definiteness

Harrah’s asserts that Station admitted theoretical win profile is definite during *Markman* proceedings when acknowledging that “the intrinsic evidence is clear as to what theoretical win profile means....” BB32 (citing

⁹ Station objects to Harrah’s submission of a new definition for “profile,” *id.*, which was not cited to the District Court. While *Vitronics Corp. v. Conceptronic, Inc.*, 90 F.3d 1576, 1584 n.6 (Fed. Cir. 1996), suggests a court may consult dictionaries, it does not suggest parties may submit new evidence on appeal. Fed. R. App. P. 10.

A1096). Harrah's is wrong. Station simply acknowledged it was clear what the claim construction should be in view of the intrinsic evidence. It did not concede the claims *as construed* were definite. Station has always maintained the contrary.

Also, the court scheduled dispositive motions roughly four months after *Markman* (A1058; A8316-18), and therefore Station was required to assume *arguendo* the claims were definite at the *Markman* hearing. Station explained this to the District Court (A7789-90), and the court agreed. (A31-32 (citing *ASM Am., Inc. v. Genus, Inc.*, No. 01-CV-02190, 2002 WL 1892200, at *15-16 (N.D. Cal. Aug. 15, 2002), *aff'd*, 401 F.3d 1340 (Fed. Cir. 2005) ("[T]he Court will not consider Genus' arguments about invalidity of the claims for indefiniteness in this claim construction proceeding. Genus may raise these arguments in a summary judgment motion at a later date.").) Indeed, raising indefiniteness at *Markman* could have invited the court's censure. *See Pharmastem Therapeutics, Inc. v. Viacell, Inc.*, No. 02-148, 2003 WL 124149, at *1 n.1 (D. Del. Jan. 13, 2003) (chastising party for contravening scheduling order by raising indefiniteness at *Markman*)). Thus, definiteness is assumed *arguendo* for claim construction, and then subsequently the district court proceeds with an indefiniteness analysis. *E.g., Semmler*, 990 F. Supp. at 984 ("Assuming arguendo that this claim limitation is not void for indefiniteness" for claim construction, but subsequently granting summary judgment of indefiniteness).

The *only* basis for even attempting to construe “theoretical win profile” is the three-part test in the prosecution history, and thus for claim construction the parties agreed it was clear the test was the meaning to be ascribed. But as discussed above, the test finds no consistent support in the *specification*, is purely functional, provides no notice about how to generate a theoretical win profile (e.g., methods, formulas or algorithms), and provides no notice about whether it is graph, table, a single value, or any other summary or analysis. Even if theoretical win profile was amenable to construction, it was not amenable to a *definite* construction, and there is no basis to resolve the insoluble ambiguity that remains.

Accordingly, the Court should affirm the District Court’s judgment of invalidity due to indefiniteness.

IX. The District Court Correctly Ruled That The Patents Lack An Adequate Written Description For “Theoretical Win Profile”

The District Court properly granted Station’s motion for summary judgment of invalidity on the alternate ground that the Patents fail to adequately describe a “theoretical win profile.” (A45-A46.) While abbreviated, this portion of the Order shows that the District Court understood and correctly applied the Court’s written description precedent. As the District Court correctly observed:

The description must enable persons of ordinary skill in the art “to recognize that [the inventor] invented what is claimed.” *In re Gosteli*, 872 F.2d 1008, 1112 (Fed. Cir. 1989). “Adequate description of the invention guards against the inventor’s overreaching by insisting that he recount his invention in such detail that his future claims

can be determined to be encompassed within his original creation.” *Vas-Cath. Inc. v. Mahurkar*, 935 F.2d 1555, 1561 (Fed. Cir. 1991) (quoting *Reno Co. v. Molins Mach. Co.*, 657 F.2d 535, 551 (3d. Cir. 1981)). The issue of whether a written description is adequate is a question of fact. *Id.* at 1563.

(A45-A46 (alteration in original).)

The District Court properly found that the same specification that did not support a definite construction of “theoretical win profile” also did not allow artisans of ordinary skill to “understand what is claimed and to recognize that the inventor invented what is claimed.” *Univ. of Rochester v. G.D. Searle & Co.*, 358 F.3d 916, 928 (Fed. Cir. 2004). Contrary to Harrah’s argument, the District Court did not “conflate[] the legal principles of indefiniteness and written description.” BB50. The District Court properly recognized that “[t]he facts overlap, but ... [the] requirements are independent,” as Station explained at oral argument.

(A8791.) The facts particularly overlap in a case like this, where a claim includes a purely functional term that is not correlated to any known or disclosed structure in the specification. Such facts create problems of *both* indefiniteness *and* inadequate written description, as described below. Accordingly, the court appropriately provided just one factual summary within its indefiniteness analysis, which was unnecessary to repeat in its written description analysis.

A. 35 U.S.C. 112, ¶ 1 Requires An Adequate Written Description

As the District Court recognized, the patent statute requires a written description with sufficient detail to “put the public in possession of what the party claims as his own invention.” *Vas-Cath*, 935 F.2d at 1561 (quoting *Evans v. Eaton*, 20 U.S. 356 (1822)). In addition, it must provide sufficient notice to “guard against prejudice or injury from the use of an invention which [a competitor] may otherwise innocently suppose not to be patented.” *Id.*

B. The Written Description Determination May Be Made On Summary Judgment

“[A]lthough compliance with the written description requirement is a question of fact,... a patent may [] be held invalid on its face... based solely on the language of the patent specification.” *Rochester*, 358 F.3d at 927 (affirming summary judgment, and holding that district court properly discounted patentees’ expert declaration). *See also New Railhead Mfg., v. Vermeer Mfg.*, 298 F.3d 1290, 1295-97 (Fed. Cir. 2002) (discounting patentees’ expert testimony and observing that “[t]he adequacy of the written description (*i.e.*, the disclosure) is measured from the face of the application.”); *Lockwood v. Am. Airlines*, 107 F.3d 1565, 1572 (Fed. Cir. 1997) (concluding that expert’s averment could not create genuine issue of material fact regarding adequate written description where priority document did not disclose claimed invention).

C. The Undisputed Facts Supported Summary Judgment

As explained *supra* section II, Harrah's patent specifications provide only vague and inconsistent references to theoretical win profile, with no structure or acts for generating it (e.g., formulas, methods and/or algorithms), and no description of what it might be (e.g., table, graph, single value).

Harrah's own inventor and patent attorney respectively testified that the examiner was "totally off base" (A1152:21-A1153:21) and that the specification "had not clearly communicated to the examiner the whole concept of theoretical win profile." (A1127:3-6.) Harrah's expert admitted in his deposition that one would need a formula—at least when evaluating the prior art. (A1139:10-A1142:4; A1145:5-8.) Harrah's later declarations in opposition to partial summary judgment could not create a genuine issue of material fact on these points.

Compare New Railhead Mfg., 298 F.3d at 1293 (patentee's expert "admitted [] in his deposition" that the applicants had failed to adequately describe the claimed features in the written description, and "his later contrary declaration submitted in opposition to partial summary judgment could not, as a matter of law, create a genuine issue of material fact on this point."); *id.* at 1295-97. The only thing clear about Harrah's specification is that there was no disclosure of theoretical win profile in "full, clear, concise, and exact terms," such as to allow others skilled in the art to understand it.

Even now, Harrah's only points to vague references to the word "average," but does nothing to suggest how an artisan of ordinary skill would know what kind of averaging was intended. The *kind* of averaging is obviously important, as Harrah's itself used specific kinds in its own preferred implementation. (A1121:24-A1123:7.)

In analyzing the written description requirement, the Court has explained that it is "not a question of whether one skilled in the art *might* be able to construct the patentee's device from the teachings of the disclosure.... Rather, it is a question whether the application necessarily discloses that particular device." *Lockwood*, 107 F.3d at 1572 (emphasis in original) (citation omitted). An inventor shows he "is 'in possession' of *the invention* by describing *the invention*, with all its claimed limitations, not that which makes it obvious." *Id.* (emphasis in original). An inventor must use "such descriptive means as words, structures, figures, diagrams, formulas, etc., that fully set forth the claimed invention." *Id.*; see also *Regents of Univ. of Cal. v. Eli Lilly & Co.*, 119 F.3d 1559, 1566 (Fed. Cir. 1997) (requiring sufficient description for artisan of ordinary skill to "clearly conclude that the inventor invented the claimed invention") (citation omitted); *Purdue Pharma, L.P. v. Faulding, Inc.*, 230 F.3d 1320, 1323 (Fed. Cir. 2000) (requiring sufficient detail for one skilled in the art, reading the disclosure, to "immediately discern the limitation at issue."). The undisputed evidence shows that Harrah's specification does not meet these requirements.

Accordingly, the District Court correctly ruled that the claims reciting “theoretical win profile” are invalid under 35 U.S.C. 112, ¶ 1 as a matter of law.

D. “Theoretical Win Profile” Is A Purely Functional Limitation Unsupported By The Written Description

As discussed *supra* section VIII.E, the District Court correctly found “theoretical win profile” purely functional as a matter of law. (A40.) According to Harrah’s claim construction, which incorporates Boushy’s three-part test, “theoretical win profile” is essentially the function of summarizing or analyzing theoretical win over time across multiple properties.

Because Boushy chose to claim such a purely functional limitation, the written description requirement necessitates a known or disclosed correlation between that function and the structure or acts for performing that function. There was no genuine issue of material fact that such correlation was absent.

1. Functional Claim Limitations Must Be Coupled With A Known Or Disclosed Correlation To Structure Or Acts That Perform Such Function

In *Enzo Biochem, Inc. v. Gen-Probe, Inc.*, 323 F.3d 956, 967 (Fed. Cir. 2002), the Court held that where a limitation is purely functional, the written description requirement necessitates that claimed functional characteristics be “coupled with a known or disclosed correlation between function and structure.” *Id.* at 964. The Court adopted this standard from the PTO’s *Guidelines for Examination of Patent Applications Under the 35 U.S.C. 112, P1, “Written Description” Requirement*, 66 Fed. Reg. 1099, 1106 (Jan. 5, 2001) (“*Guidelines*”). The court

continues to apply this standard. *E.g. In re Wallach*, 378 F.3d 1330, 1335 (Fed. Cir. 2004) (a “functional description can be sufficient only if there is also a structure-function relationship known to those of ordinary skill in the art”); *Noelle v. Lederman*, 355 F.3d 1343, 1345-46 (Fed. Cir. 2004) (functional claims to antibodies were insufficiently described absent known or disclosed structure-function relationship with antigens to which they bind); *Lilly*, 119 F.3d at 1568 (“A definition by function, as we have previously indicated, does not suffice to define the genus because it is only an indication of what the gene does, rather than what it is.”).

In *Rochester*, 358 F.3d at 929, the Federal Circuit applied this standard in affirming a district court’s summary judgment of invalidity for lack of adequate written description. Although the patent related to the effect of certain pain relievers, the issues and procedural history are directly analogous to the present case. The defendant asserted that a functional claim limitation lacked support in the written description. The district court found the limitation “easy enough to understand.” *Univ. of Rochester v. G.D. Searle & Co., Inc.*, 249 F. Supp. 2d 216, 229, 224 (W.D.N.Y. 2003). But it also determined that the limitation was functional, and the functional characteristics were not ““coupled with a known or disclosed correlation between function and structure.”” *Id.* at 226 (emphasis in original) (quoting *Enzo* and the *Guidelines*). Accordingly, the court concluded the written description was inadequate.

Similarly, Harrah's has contended theoretical win profile is easy to understand, involving "straightforward" and "basic" math. (A3427; A3429.) And similarly, the District Court found the relevant claim limitation ("theoretical win profile") functional and not correlated to any known or disclosed structure in the specifications. Accordingly, the court likewise found Harrah's written description inadequate as a matter of law.

The Federal Circuit in *Rochester* affirmed, observing that the university "did not present any evidence that the ordinarily skilled artisan would be able to identify any compound based on its vague functional description...." 358 F.3d at 928. Quoting *Enzo* and the *Guidelines*, the Court confirmed that functional characteristics must be "coupled with a known or disclosed correlation between function and structure, or some combination of such characteristics." *Id.* at 926. The Court explained the written description must provide fair notice to competitors

[T]he inventor cannot lay claim to that subject matter unless he can provide a description of the compound sufficient to distinguish infringing compounds from non-infringing compounds, or infringing methods from non-infringing methods.

Id. at 925.

Harrah's argues that these standards are limited to "unpredictable" arts, BB46, BB46 n.8, but the Court expressly rejected that notion, stating that "the statute applies to all types of inventions," and is no "different when non-genetic materials are at issue." *Rochester*, 358 F.3d at 925. Similarly, the PTO expressly

declined to make its *Guidelines* specific to unpredictable arts. *Revised Interim Guidelines*, 64 Fed. Reg. 71427, 71428 (Dec. 21, 1999); *infra* section IX.E.2. Predictability is only relevant “if the art has established a strong correlation between structure and function, [because] one skilled in the art would be able to predict with a reasonable degree of confidence the structures.” *Guidelines*, 66 Fed. Reg. at 1110 n.49. As discussed *infra* section IX.D.2, no such correlation for theoretical win profile was known in the art. Also, Harrah’s has repeatedly argued that the form or structure of theoretical win profile is not a limitation and therefore it covers any and all means that perform the same function. BB13-BB14; (A3429-30; A3445 n.27; A3453.) *Cf. Amgen*, 314 F.3d at 1360 (Clevenger, J., dissenting) (“Even in more predictable arts, one who is first to make a machine is not entitled as a matter of law to claim any or all machines so long as they perform the same function.”); *supra* section VIII.E. Moreover, working in a predictable art does not give an inventor a “free pass” on the written description requirement.

2. There Was No Known Or Disclosed Correlation Between The Functional “Theoretical Win Profile” Limitation And Any Structures Or Acts

As Station explained (A8799:19-A8802:17) and as the District Court correctly determined, there is no known or disclosed correlation between “theoretical win profile” and any corresponding structure or acts. *See also Enzo*, 323 F.3d at 964. Harrah’s does not identify a genuine dispute of material fact on this issue.

No such correlation was *known* insofar as it is undisputed that the phrase “theoretical win profile” was unknown in the art. Moreover, Harrah’s has repeatedly asserted that the structures/acts themselves were not known. For example, Harrah’s argued that the examiner “allowed the[] claims because the prior art did not disclose what the patent application specifically claimed, *i.e.*, a method of rewarding patronage which includes... updating a theoretical win profile.” (A3431.) *See also* BB17.¹⁰ Indeed, to the extent such structures/acts *were* known in the art, it is difficult to see how a theoretical win profile could be new. *Cf. Rochester*, 358 F.3d at 928 n.7 (“Indeed, if [the claimed] compounds... had been known in the art, it is difficult to see how the claims... would have satisfied the novelty requirement....”).

Nor was there a *disclosed* correlation between theoretical win profile and any corresponding structures or acts. Harrah’s provides a laundry list of reasons why it contends there was a genuine issue of material fact, BB50-BB51, but does not tie these contentions to any specific disclosure in the specification. Rather, the reader is left to speculate as to which portions of the specification Harrah’s refers when it makes its arguments.

It was undisputed that the vague “average” references in the specification did not suggest any specific type of averaging or other structure/acts

¹⁰ Harrah’s argument that the Patents differ from the prior art in other respects is unsupported and contradicted by its own arguments. *See supra* section III.

that artisans of ordinary skill would understand to correlate to a “theoretical win profile.” The District Court observed that the record evidence demonstrated “the term average ‘itself is vague because there are many interpretations of average.’”¹¹

(A39-A40.) Indeed, the District Court found:

The only guidance Plaintiffs have provided for calculating the term profile is that it may be deduced from a variety of methods of averaging “or otherwise”.... [But] instead of being descriptive, [the various inconsistent] terms... serve to further hinder a competitor from determining whether their invention is infringing on the patent.

(A42.)

Harrah’s did not dispute these findings by introducing evidence tending to show that artisans of ordinary skill would understand that the vague “average” references in the specification describe or define theoretical win profile in compliance with 35 U.S.C. 112, ¶ 1 (as compared with, e.g., formulae, algorithms, or other structure or acts). Instead, Harrah’s merely presented attorney argument, as it does on appeal. Attorney argument does not raise a genuine issue of material fact.

Moreover, the District Court recognized that no reasonable jury could conclude that artisans of ordinary skill could discern from the vague disclosure

¹¹ As Lewin explained: “Although the arithmetic mean is what most people have in mind when they talk of the ‘average,’ the term itself is vague because there are various common interpretations of averages, including median, mode, moving average, geometric mean, weighted and unweighted averages. The term ‘average,’ is particularly vague when used in a context where other types of averages are also possible.” (A7815 ¶ 11.)

regarding the alleged "multi-property aspect of the invention" and "average" any form or structure corresponding to a "theoretical win profile." A theoretical win profile might "include a large number of data points" apparently gathered from a customer's gaming activities at any casino property, but there is no reference in the specification as to how these data points are processed or arranged in order to arrive at the all-elusive theoretical win profile.

Because there was no genuine factual dispute regarding the lack of any known or disclosed correlation between a "theoretical win profile" and structures or acts to perform a theoretical win profile, the District Court properly entered summary judgment that the claims including that limitation were invalid for lack of an adequate written description.

E. Harrah's Arguments Are Meritless

1. Harrah's Prosecution History Arguments Are No Substitute For An Adequate Written Description

While the prosecution history may be considered with respect to *definiteness* in some circumstances, it cannot be used to correct an inadequate *written description*. This is because patent applicants must comply with the written description requirement at the time of filing. *Union Oil Co. v. Atl. Richfield Co.*, 208 F.3d 989, 997 (Fed. Cir. 2000); *Vas-Cath*, 935 F.2d at 1563-64. Thus, any written description of "theoretical win profile" must be found, if at all, in the specification. "After all, it is in the patent specification where the written description requirement must be met." *Rochester*, 358 F.3d at 927. An applicant

can amend the claims, but cannot add new matter to the written description during prosecution. 35 U.S.C. 132 (“No amendment shall introduce new matter into the disclosure of the invention.”). Therefore, neither Harrah’s three-part definition of “theoretical win profile,” nor any other portion of the prosecution history for that matter, supplies a written description of a “theoretical win profile” as required under 35 U.S.C. 112, ¶ 1.

2. Harrah’s “Predictive Arts” Argument Is Meritless

Harrah’s relies on *In re Smythe*, 480 F.2d 1376, 1383 (CCPA 1973), as authority for the proposition that “[t]he electrical and computer arts are referred to as ‘predictive,’ in contrast to the chemical and biological arts.” BB46 n.8. Harrah’s misconstrues the Court’s precedent. The Court recently explained that the question *Smythe* presented was “whether a disclosure of air as a segmentizing medium was sufficient written description to support the broader claim language ‘inert fluid,’ though the term ‘fluid’ did not appear in the written description.” *Bilstad v. Wakalapulos*, 386 F.3d 1116, 1123 (Fed. Cir. 2004). In other words, *Smythe* is part of a class of “cases involving written description support for a genus when only one or more species are disclosed.” *Id.* at 1126; *see also Enzo*, 323 F.3d at 967 (stating that *Smythe* “discusses circumstances in which a species may be representative of and therefore descriptive of genus claims.”). Thus, *Smythe* does not support the type of technological exceptionalism Harrah’s advances, but instead provides the standard for when a “disclosure of a species

may be sufficient written description support for a later claimed genus including that species.” *Bilstad*, 386 F.3d at 1124. The *Guidelines* are in accord. 66 Fed. Reg. at 1106, 1111 n.55. In fact, the PTO “reduc[ed] the emphasis on predictability because of the confusion with enablement.” *Revised Interim Guidelines*, 64 Fed. Reg. at 71430. *See also supra* section IX.D.1.

The District Court undoubtedly would have found *Smythe* inapt had Harrah’s brought the case to its attention because the specifications do not disclose even a single species within the genus of mathematical operations or other structures that allegedly correlate to a theoretical win profile. Harrah’s cannot point to the vague “average” references in the specifications as sufficient description of such a species because, as Station discusses *supra*, “the term [‘average’] itself is vague... there are various common interpretations of averages, including median, mode, moving average, geometric mean, weighted and unweighted averages.” (A7805 ¶ 11.) As Station’s expert explained (*id.*, A1157 ¶¶ 11-12), and as the District Court found, “instead of being descriptive, the terms [‘average daily theoretical win,’ ‘average theoretical win profile,’ and ‘average daily wager figure,’]... serve to further hinder a competitor from determining whether their invention is infringing on the patent.” (A42.) Other than to provide attorney argument and conclusory reference to the Patents, Harrah’s fails, even at this late stage, to identify the record evidence demonstrating there was a genuine dispute over these factual findings.

Accordingly, this case does not fall within the ambit of those cases "involving written description support for a genus when only one or more species are disclosed." *Bilstad*, 386 F.3d at 1126. *Smythe* is simply inapposite to this case.

3. "Theoretical Win Profile" Is Not Its Own Written Description

Harrah's has taken the position that the phrase "theoretical win profile" is its own written description, even though Boushy allegedly coined this phrase, and elaborated on its purported meaning only *after* filing his original disclosure with the PTO. In its brief, Harrah's maintains that:

(i) "theoretical win" appears in the original specification and claims and is a well understood term of art...; (ii) "profile" appears along with "theoretical win" in the original specification and claims, and "profile" has a well established ordinary English meaning: a summary or analysis.

BB50-BB51. Even if true, these assertions do not create a genuine issue of material fact. It is undisputed that the words "theoretical win," or "profile," alone or in combination, do not compel or even suggest Harrah's three-part test, or any structure an artisan of ordinary skill would understand correlates to a "theoretical win profile."

To the contrary, "theoretical win profile" falls squarely into a class of cases suggested by *Rochester*:

[F]or example, in the nineteenth century, use of the word "automobile" would not have sufficed to describe a newly invented automobile; an inventor would need to describe what an automobile is, *viz.*, a chassis, an engine, seats, wheels on axles, etc. Thus, generalized language may not suffice if it does not convey the detailed identity of an invention.

358 F.3d at 923.

As a term allegedly coined by Boushy, “theoretical win profile” would have made the same impression on artisans of ordinary skill at the time of filing that “automobile” would have made on nineteenth century horse and buggy craftsmen. While the prefix “auto” and the word “mobile” were old before the invention of motor vehicles, the combination of the two, “automobile,” would say nothing about what an automobile actually is. *See id.* at 938 (rejecting argument that vague functional claim language allowed artisans of ordinary skill to identify subject matter falling within scope of a claim).

Similarly, while “theoretical win” and “profile” may have been old terms, use of the three words in combination would not have sufficed to describe an allegedly novel “theoretical win profile” to those who only knew theoretical win. Merely reciting the words “theoretical win profile” says nothing about what a theoretical win profile is.

As discussed *supra* n.9, the Court should decline to consider Harrah’s belatedly-submitted Random House dictionary definition. There are no findings regarding that definition. For example, there are no findings on whether artisans of ordinary skill would have, as a factual matter, combined that definition with their knowledge of theoretical win to arrive at a description that includes the “average” references upon which Harrah’s so heavily relies. Even if such combination were obvious, an inventor shows that he “is ‘in possession’ of *the invention* by describing

the invention, with all its claimed limitations, not that which makes it obvious.”

Lockwood, 107 F.3d at 1572 (emphasis in original). Thus, mere recitation of the word “profile” in the phrase “theoretical win profile” is inadequate.

Accordingly, the Court should reject Harrah’s argument that the words of the claims themselves satisfy the written description requirement in this case.

X. Harrah’s Violation of the Best Mode Requirement Is An Alternate Ground for Affirmance

In granting summary judgment of invalidity under 35 U.S.C. 112, the District Court declined to rely on best mode *not* because of any alleged dispute of material fact, but because Harrah’s urged an incorrect legal standard and led the court into adopting it. Under a *correct* best mode analysis, the undisputed facts found by the court provide alternate ground for affirming its invalidity determination.

Specifically, the District Court found no genuine dispute preventing its factual determination that the word “average” in Harrah’s patent specifications was “an inadequate disclosure of the alleged best mode.” (A51.) However, the court declined to rely on that as a basis for its judgment because Harrah’s had leveled the baseless accusation that Station “specifically and apparently intentionally left open and ambiguous the issue of ‘best mode’ versus ‘preferred implementation.’” (A3459; A3459 n.37; A51.) Harrah’s relied solely on a law review article, which has never been cited by any court, having the premise that best mode is a “Broken Requirement Of United States Patent Law.” (A3459 n.37);

see Walmsley, Best Mode: A Plea To Repair Or Sacrifice This Broken Requirement Of United States Patent Law, 9 Mich. Telecomm. Tech. L. Rev. 125 (2002).¹²

Station has found little support for the proposition that either Congress or the courts consider the best mode requirement to be “broken,” and the Court has specifically used the terms “best mode” and “preferred implementation” or other variations interchangeably. *See, e.g., Nobelpharma AB v. Implant Innovations*, 141 F.3d 1059, 1065 (Fed. Cir. 1998) (“preferred method”); *Chemcast Corp. v. Arco Indus.*, 913 F.2d 923, 928 (Fed. Cir. 1990) (“preferred material”); *Dana Corp. v. IPC Ltd. P’ship*, 860 F.2d 415, 418 (Fed. Cir. 1988) (“preferred embodiment”).¹³ Even the cases cited by Harrah’s are in accord. *See Bayer AG v. Schein Pharms.*, 301 F.3d 1306, 1315 (Fed. Cir. 2002) (“preferred ways”) (A3459 n.37)); *Glaxo, Inc. v. Novopharm Ltd.*, 52 F.3d 1043, 1054 (Fed. Cir. 1995) (“preferred mode”) (A3460-A3461); *Transco Prods. v. Performance Contracting*, 38 F.3d 551, 560 (Fed. Cir. 1994) (“preferred mode”) (A3456.)

Accordingly, Station explained to the District Court that Harrah’s distinction between “best mode” and “preferred implementation” is purely semantic. (A7797-A7798.) Indeed, under Harrah’s standard, an inventor could

¹² The article was written by a first-year associate, apparently in law school. Criticisms in the article are addressed in Carlson et al., *Patent Linchpin For The 21st Century? - Best Mode Revisited*, 87 J. Pat. & Trademark Off. Soc’y 89 (2005).

¹³ The Court in these cases found the patentees violated the best mode requirement.

circumvent the statute simply by describing his best mode as a “preferred implementation.” Harrah’s alleged distinction is groundless and legally incorrect.

Harrah’s also argued that “the facts at hand show only that Boushy contemplated *several* ‘implementations’ of theoretical win profile. The cited testimony does not, however, show that Boushy considered any of those implementations ‘better’ than any other.” (A3458 (emphasis added).) But a closer reading of Boushy’s testimony reveals that he was referring to several non-claimed *elements* (i.e., “functions and/or factors” comprising particular types of averaging) of a *single preferred* implementation of theoretical win profile that he *did* consider better than any other. Specifically, he stated:

The implementation of theoretical win profile was going to be a function of the theoretical win that came from each of the properties along with other information associated with that, *and we would apply a series of functions and/or factors* to that to determine what a theoretical win profile was.... [including] weighted averaging[...], straight line averaging[..., or] average then divide[] by some period of time...

(A1122:22-A1123:3 (emphasis added).)¹⁴ As the Court made clear in *Chemcast*, a patentee violates the best mode requirement when he fails to disclose several “non-claimed *elements* that were nevertheless necessary to practice the best mode of carrying out the claimed invention.” 913 F.2d at 928 (emphasis added).

¹⁴ It is in this context that one must view Boushy’s testimony that Harrah’s had developed “numerous algorithms” for calculating theoretical win profile. (A1122:11-12; A1125:15-16.)

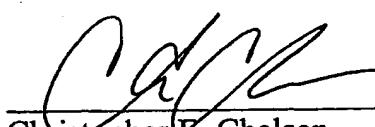
As the District Court determined, the word "average" disclosed in Harrah's patent specifications is "an inadequate disclosure of the alleged best mode." (A51.) But for Harrah's incorrect legal distinctions, the court properly would have found a best mode violation as a matter of law. There was no factual dispute on any material issue, but rather it related solely to Harrah's immaterial distinction between "best mode" and "preferred implementation." Under the circumstances, the Court should affirm on the alternate ground that the Patents fail to satisfy the best mode requirement.

CONCLUSION

The Court should affirm the summary judgment that the claims including the "theoretical win profile" limitation are invalid as indefinite and lacking an adequate written description. Alternatively, the Court should affirm on the ground that Harrah's failed to meet the best mode requirement.

Respectfully Submitted,

Dated: May 31, 2005


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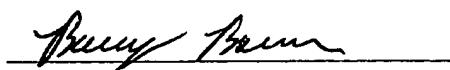
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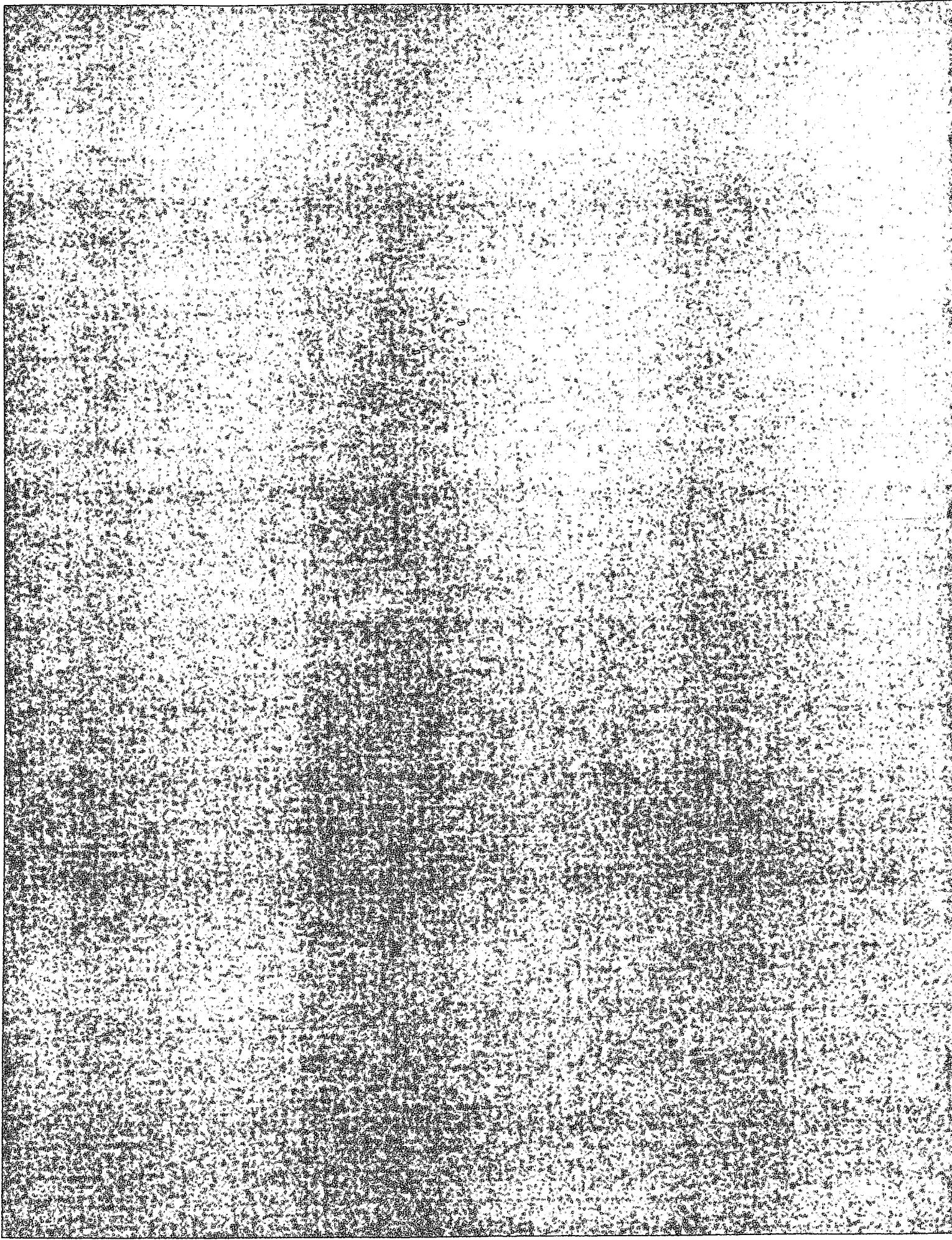
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